

**United States Department of the Interior
Bureau of Land Management
Butte Field Office
106 North Parkmont, Butte, MT 59701**

**Decision Record
Environmental Assessment
DOI-BLM-MT-L002-2017-0003-EA**

Decision:

It is my decision to defer three (3) Butte Field Office parcels due to potential environmental impacts presented in the BLM Butte Field Office Oil and Gas Leasing Environmental Assessment (EA) (DOI- BLM- L002-2017-0003-EA) and public comments, and to include six (6) parcels in the March 13, 2018 lease sale from the Butte Field Office. Six lease parcels administered by the Butte Field Office will be offered for competitive and/or noncompetitive lease issuance at the March 13, 2018 competitive sale with the stipulations described in Appendix A and B of the EA. Competitive leases will be issued for parcels sold at the sale, and noncompetitive leases may be issued for applications filed during the 2-year period following the sale. Deferred parcels include MTM 108952-FU, FT, and FR. A complete list and legal descriptions of deferred parcels is attached as Exhibit A.

Authorities:

The authority for this decision is contained in 43 CFR 3100.

Compliance and Monitoring:

Should the parcels be developed, monitoring may be required and would be addressed and analyzed under future NEPA documentation.

Terms, Conditions, and Stipulations:

Standard terms and conditions, as well as the lease notices and stipulations identified by parcel in Appendix A and B of the EA, would apply and be attached to all of the parcels.

Plan Conformance and Consistency:

The amended proposed action has been reviewed and found to be in conformance with the



2009 Record of Decision (ROD) and Approved Butte Resource Management Plan (Butte ARMP) and 2008 Final Environmental Impact Statement (FEIS).

Alternatives Considered:

No Action. The No Action Alternative would exclude all nominated parcels within the North Central Montana District from the lease sale. Surface management would remain the same and ongoing oil and gas development would continue on surrounding federal, private, and state leases.

Proposed Action. The proposed action would be to lease nine parcels of Federal minerals for oil and gas leasing, covering approximately 4,307 Federal mineral acres in Park County (670 acres BLM administered surface, and 3,637 acres private surface) in conformance with existing land use planning decisions. Parcel number, size, and detailed locations and associated stipulations are listed in Appendix A of the EA. Descriptions of the stipulations are provided in Appendix B. Maps of the parcels are in Appendix C.

Public Comments:

This EA, along with the unsigned FONSI, was posted to the BLM e-planning website for a 30-day public comment period on September 29, 2017. The BLM mailed or emailed notification letters to interested parties (i.e. anyone that commented on scoping), local, state, and federal agencies, and tribes to inform them that the EA and unsigned FONSI were available for 30-day review and comment.

The public, tribes, or governmental agencies submitted seven comments in response to scoping, and ten comments during the 30-day EA comment period (including over 100 nearly identical form letters from Wild Earth Guardians constituents). The BLM reviewed and considered all of the comments that were submitted, and modified the EA in response to substantial public comments. Appendix D of the EA provides a summary of the comments as well as the BLM response. Edits made to the EA were described on page 5 of the EA, and include:

- Edited or added discussion on effects of hydraulic fracturing, cultural resources, references, and stipulations
- Added Appendix D, which responds to public comments.

Rationale for the Decision:

My decision to approve the amended Proposed Action, is based on the following: 1) consistency with the Butte resource management and land use plan; 2) national policy; 3) agency statutory requirements; 4) relevant resource issues; 5) application of stipulations that are incorporated as design criteria to avoid or minimize environmental impacts; and 6) and public comment.

1. **Resource Management Plan.** This decision is in conformance with 2009 Butte Record of Decision (ROD) for the Approved Resource Management Plan (ARMP) and the associated Final EIS. The Butte Field Office ARMP provides opportunities for responsible oil and gas development. Refer to the ARMP fluid minerals management decisions, pages 71-74. All of the parcels are located in areas designated open to oil and gas leasing subject to standard lease terms,

moderate constraints such as stipulations that require timing limitations, or major constraints such as stipulations that prohibit surface occupancy and use. Stipulations were applied to the 9 lease parcels consistent with the requirements of the ARMP (Appendix M).

2. **National Policy.** BLM Manual Section 3120 sets forth the policy and procedures required for competitive oil and gas leasing in accordance with the Federal Onshore Oil and Gas Leasing Reform Act of December 22, 1987, and the regulations in the Competitive Leases Rule, 43 CFR Subpart 3120 (2011). It is the Bureau of Land Management's (BLM) policy to encourage the orderly development of Federal onshore oil and gas resources by offering lands for oil and gas leasing by competitive oral bidding when eligible lands are available. It is also BLM's policy to exercise its discretionary authorities, including its oil and gas leasing authority, through the use of an informed, deliberative process that includes:

- Communication with the public, tribal governments, and Federal, state, and local agencies;
- Consideration of current science and other available data;
- Compliance with existing laws, regulations, and policies; and
- Consideration of important resources and values.

My decision to offer 6 parcels in a lease sale is tiered the analysis in the 2009 Butte ARMP and associated FEIS and further supported by the analysis in the Butte Field Office March 13, 2018 Lease Sale Environmental Assessment. The EA included a public participation process that included the opportunity for public comment through a scoping and EA comment period, and coordination with other state, federal, and tribal resource management agencies. The EA includes an affected environment and describes effects to resources that could be affected by oil and gas development with stipulations in place to avoid or minimize impacts.

3. **Statutory Requirements:** The EA for this lease sale is tiered to the 2009 Butte ARMP and associated FEIS, which was developed in compliance with the Mineral Leasing Act (MLA) of 1920, as amended (30 U.S.C. 181 et seq.), Federal Lands and Policy Management Act (FLPMA), National Environmental Policy Act (NEPA), and other applicable laws, regulations, and policies. My decision to offer the 6 parcels for lease is consistent with requirements under the MLA to authorize leases of federally owned minerals for oil and gas development through a competitive bidding process, is consistent with the multiple-use and sustained yield mandates under FLPMA, and has satisfied all of the procedural requirements under NEPA.
4. **Relevant Resource Issues:** The EA analyzes the environmental effects to resources that are present in proposed lease parcels and/or resources that could be affected by oil and gas leasing. Consistent with Title 43 Code of Federal Regulations 3131.3, the BLM identified lease stipulations for proposed parcels based upon resource concerns that were identified during previous land use planning processes. Based upon the analysis presented in the EA, I have not identified any significant effects from offering the 6 parcels for the lease sale that would require analysis in an Environmental Impact Statement, as defined in 40 CFR §1508.27. Additional site-specific NEPA analysis would occur at the Application for Permit to Drill (APD) stage of development, at which time additional mitigation measures could be identified to address a particular resource concern.

5. **Stipulations:** Appendix M of the ARMP describes all of the stipulations applicable to the Butte planning area that would be applied to future leases within the planning area under the Approved Plan. BLM resource specialists reviewed and applied applicable stipulations to all of the lease parcels consistent with Appendix M, which are identified by parcel in Appendix A of the EA, and defined in Appendix B. All of these stipulations will be incorporated as design criteria into any future decision that authorizes oil and gas development.

A stipulation included in an oil and gas lease shall be subject to modification or waiver only if the authorized officer determines that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified or if proposed operations would not cause unacceptable impacts. Any requests for exceptions, modifications, and waivers from these stipulations would be processed by the appropriate BLM office at the Application for Permit to Drill (APD) stage of development. Any exceptions, modifications, or waivers that the authorized officer deems of major public concern or substantial would be subject to public review for at least a 30-day period (43 CFR 3101.1-4).

6. **Public Comment:** The BLM received numerous public comments during the scoping and EA comment periods, and throughout the protest period in opposition to leasing parcels near the City of Livingston and in the foothills surrounding the Absaroka and Beartooth mountain ranges. Concerns were focused primarily around perceived socioeconomic and visual impacts as well as impacts to groundwater from hydraulic fracturing. The BLM intends to review the current Resource Management Plans for the Butte Field Office, and evaluate how these plans provide the appropriate level of protection for parcels made available for oil and gas leases. This evaluation will inform whether the protection measures need to be updated, modified, or changed for the unique local conditions.

Recommended by:



Dale Manchester; NCMD Division Chief, Oil and Gas

3/9/2018

Date

Concurrence by:



Scott Haight; Butte Field Manager

3/9/2018

Date

Approved by:



Donato J. Judice; Deputy State Director,
Division of Energy, Minerals, & Realty

3/9/2018

Date